Ask SHIP

May, 2009
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Q: My mother is in a nursing home. Why isn't Medicare paying for most of her care?

Most nursing home care is considered "custodial care". Custodial care is nonskilled, personal care, such as help with bathing, dressing, eating, getting in or out of bed or a chair, moving around, and using the bathroom.

Medicare pays for medically-necessary care in a skilled nursing facility (SNF) for people with Medicare who require skilled nursing or rehabilitation services. Skilled care is given for a short period of time when you need professional staff to manage, observe, and evaluate your care. Examples of skilled care are intravenous injections and physical therapy.

To be covered for skilled care, you must receive the services from a Medicare-certified SNF after a qualifying hospital stay. A qualifying hospital stay means at least three days spent in a hospital just before going to a nursing home.

The average cost of nursing home care in Indiana is $126 per day, $46,892 per year.

With an average length of stay of 2.5 years, the average cost for a nursing home stay is $110,000.

Long-term care can be provided at home, in the community, or in various types of facilities, including nursing homes and assisted living facilities.

Of those individuals who turned age 65 this year, 60% will need long term care as they grow older. Almost 43% will enter a nursing home at some point in their lives for varying lengths of stay. Nearly 5% of the elderly are in a nursing home.

It is important to consider all your options for financing long term care before you need it. Those options could include:

- Private pay by you or your family members
- Medicaid for people with low income and limited assets
- VA nursing home care for honorably discharged veterans
- Accelerated benefits from your life insurance policy
- Income or principle payments from an annuity or trust fund
- Payments from a reverse mortgage from the equity in your home
- Long Term Care insurance coverage.

Long term care insurance policies usually cover nursing home care and may include coverage for other Long Term Care services.

All long term care insurance policies are not the same. You can choose the benefits you want, and those benefits determine the cost of your monthly premium. Policies are approved by the Indiana Department of Insurance as meeting required state statutes. Approximately 60 companies now offer LTC policies in Indiana.

"Partnership policies" offer the consumer additional benefits by providing asset protection for your savings. In addition, Partnership policies qualify for a state tax deduction. These extra benefits are provided by the Indiana Long Term Care Insurance Program (ILTCIP) which is a partnership between the insurance companies and state Medicaid.

For more information about long term care financing options, visit www.in.gov/idoi/2398.htm.